



General Assembly

January Session, 2005

Substitute Bill No. 620

* SB00620CE_APP032405 *

AN ACT CONCERNING A BUSINESS EMPLOYMENT INCENTIVE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2005*) (a) As used in this section:
- 2 (1) "Commissioner" means the Commissioner of Economic and
3 Community Development; and
- 4 (2) "Distressed municipality" has the same meaning as provided in
5 section 32-9p of the general statutes.
- 6 (b) The Commissioner of Economic and Community Development
7 shall establish a business employment incentive program under which
8 the commissioner may award grants to any business (1) that relocates
9 to Connecticut from another state or expands within Connecticut, (2)
10 that hires at least ten new, full-time employees in a distressed
11 municipality, or at least twenty-five new, full-time employees in any
12 other municipality, and (3) for which the commissioner's commitment
13 of such grants is a material factor in the decision of the business to
14 relocate to Connecticut or expand within the state.
- 15 (c) A business may apply for an eligibility certificate for such grants
16 by submitting an application to the commissioner, on forms provided
17 by the commissioner and including the following information: (1) The

18 types of jobs that the business will create, a schedule for hiring the new
19 employees and the number of jobs to be created, which shall be
20 itemized by each salary range, (2) any other state, federal or municipal
21 funds received by the business, (3) the compensation provided to the
22 officers and executives of the business, (4) the financial statements of
23 the business during the three preceding fiscal years, of the business, (5)
24 a summary of the labor and environmental record of the business,
25 including any violations of state, federal or municipal law during the
26 five preceding fiscal years of the business, (6) the names of any other
27 states seeking the retention or relocation of the business, (7) a
28 statement of how the eligibility certificate will affect the decision of the
29 business to relocate to or expand within the state, (8) how the grants
30 would affect other businesses in the state, (9) a certification that the
31 business offers health insurance to all of its full-time employees
32 eligible under the rules and policies of the business, and (10) any other
33 information required by the commissioner. The business shall include
34 an application fee of five hundred dollars with such application.

35 (d) The commissioner shall issue an eligibility certificate to each
36 applicant that the commissioner determines is eligible under this
37 section.

38 (e) The commissioner shall award a grant to a business that has been
39 issued an eligibility certificate under this section for the first calendar
40 year that the business certifies to the commissioner that the business
41 has (1) hired the minimum number of new, full-time employees
42 specified in subsection (b) of this section, and (2) withheld an amount
43 from each such employee's wages that is substantially equivalent to
44 the state income tax that is reasonably estimated to be due from the
45 employee with respect to such wages during the preceding calendar
46 year pursuant to chapter 229 of the general statutes. The amount of
47 each such grant shall be not less than ten per cent nor more than fifty
48 per cent of the total amount of such withholding for all such
49 employees during such calendar year. The commissioner shall award a
50 grant to such business in such amount for each of the nine successive
51 calendar years for which the business certifies to the commissioner that

52 it has (A) retained such minimum number of new, full-time
 53 employees, and (B) has not reduced employment at other locations in
 54 the state by a number more than ten per cent of the number of such
 55 new, full-time employees. The commissioner may revoke the eligibility
 56 certificate for the business at any time if it determines that the business
 57 has not complied with the provisions of this section or such certificate.

58 (f) The commissioner shall establish criteria for determining the
 59 percentage amount of each such grant under subsection (e) of this
 60 section, based on the number of new, full-time employees hired by
 61 applicants for such grants.

62 (g) Not later than February 1, 2008, the commissioner shall submit a
 63 report to the joint standing committee of the General Assembly having
 64 cognizance of matters relating to economic development, in
 65 accordance with the provisions of section 11-4a of the general statutes,
 66 on the business employment incentive program. Said report shall
 67 include, but not be limited to, (1) an analysis of the effectiveness of the
 68 program and the impact of the program on state revenues, (2) the
 69 number and type of businesses that have applied under the program,
 70 (3) the total amount of application fees received by the commissioner,
 71 and (4) the total amount of grants provided under the program.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2005</i>	New section
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Joint Favorable Subst. C/R

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